



InfoSight Highlight

FREE Webinars on ComplySight

Registration is now open for your front row seat to learn about ComplySight, the league's newest addition to your compliance toolbox. If you're looking for a solution to the compliance tidal wave, this system is for you! (Please register at least 15 minutes prior to the start of the webinar to allow for login information to be sent.)

- **Introduction to ComplySight:** Presents the benefits ComplySight offers to a credit union when used as their compliance management solution.
- **ComplySight Training & Tips:** An opportunity to review specific ComplySight topics in detail. Topics change so that users can continue to learn additional ComplySight functionality.
- **ComplySight Best Practices - Interactive:** We invite all ComplySight users to bring and share their best practices with other users.
- **ComplySight Enhancements:** Hear what enhancements are planned, and bring your suggestions!

Please click [here](#) for a list of the upcoming dates and times the webinars are being offered.

Compliance News

TRID Postponed to October 3

The Consumer Financial Protection Bureau (CFPB) has [announced its final rule](#) postponing the effective date of the Know Before You Owe mortgage disclosure rule, also called the TILA-RESPA Integrated Disclosures or TRID rule, to **October 3, 2015**.

The final rule also includes technical corrections to two provisions of the TRID rule (1) affecting the amount in the Final Adjustments and Credits item for the Calculating Cash to Close table and (2) including Lender Credits in the amount disclosed as Closing Costs Paid at Closing in the Summary of Borrower's Transaction, both changes affecting amounts on the Closing Disclosure.



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Credit Union National Association

Compliance Video

Compliance Connection Video

[In this video](#), League InfoSight CEO Glory LeDu talks about the highlights from the 4th Quarter of 2018 and the 1st Quarter of 2019.

When S.2155, the Economic Growth, Regulatory Relief, and Consumer Protection Act, passed in 2018 there was a lot to understand! Glory LeDu, League InfoSight CEO, provides [Part 1 in this short video](#) to break it down for you.

Just a reminder that Compliance videos since 2016 can be found on YouTube at [the Compliance Connection](#)

[channel](#), where they are generally updated quarterly.

Compliance Calendar

September 7
Labor Day - Federal Holiday

September 18
NACHA's Return Rate Levels & Reinstated Transactions Rule

October 3
CFPB: Know Before You Owe Disclosure - Effective Date

CFPB: Integrated Mortgage Disclosures - Effective Date

October 12
Columbus Day - Federal Holiday

October 23
5300 Call Report Due to NCUA

November 1
Daylight Savings Time Ends

November 11
Veterans' Day - Federal Holiday

November 26
Thanksgiving Day - Federal Holiday

December 25
Christmas Day - Federal Holiday

December 31
Foreign Account Tax

NCUA Issues Final Rules

Fixed-Asset Cap Eliminated: With the unanimous approval of a final rule (Part 701) amending the regulation on fixed assets, NCUA's Board eliminated the 5-percent cap on fixed-asset investments for federal credit unions and provided other relief.

“This final rule is another significant milestone in our Year of Regulatory Relief,” NCUA Board Chairman Debbie Matz said. “This final rule removes outdated regulatory limits, cuts unnecessary paperwork and provides credit unions with well-deserved freedom to make their own decisions.

“As soon as this final rule takes effect, federal credit union boards of directors will have the freedom to prudently make their own decisions about the appropriate level of fixed assets to hold. Then decisions to upgrade facilities, update technology, and purchase other fixed assets will be made by credit union management without regulatory micro-management.”

In addition to eliminating the fixed-asset cap, the final rule simplifies partial occupancy requirements for federal credit union premises acquired for future expansion.

The final rule, available online [here](#), will become effective 60 days after publication in the *Federal Register*.

Capital Planning and Stress Testing Amendment Sets New

Deadlines: The Board also unanimously approved a final rule (Part 702) amending the regulation governing capital planning and stress testing for federally insured credit unions with assets of \$10 billion or greater.

The final rule adopts new annual deadlines for the stress testing and capital planning annual cycle. Credit unions will have until May 31, instead of the former deadline of February 28, to submit capital plans to the agency. NCUA will have until August 31 to provide stress testing results to covered credit unions and accept or reject their capital plans.

The final rule, available online [here](#), will become effective **January 1, 2016**.

Click [here](#) to read the NCUA *Board Action Bulletin*.

DoD Issues Final MLA Rule

The Department of Defense has [announced](#) the final Military Lending Act (MLA) rule [[80 FR 43559](#)]. The rule applies the protections of the Military Lending Act to all forms of payday loans, vehicle title loans, refund anticipation loans, deposit advance loans, installment loans, unsecured open-end lines of credit, and credit cards. The implementing regulation provides several significant protections extended to active duty service members and their families, including:

- A 36 percent Military Annual Percentage Rate (MAPR) limit. This cap covers all interest and fees associated with the loan. The limit now includes charges for most ancillary "add-on" products such as credit default insurance and debt suspension plans.
- The MLA prohibits creditors from requiring service members to: submit to mandatory arbitration and onerous legal notice requirements; waive their rights under the Servicemembers' Civil Relief Act; provide a payroll allotment as a condition of obtaining credit (other than from relief societies); be able to refinance a payday loan; or be able to secure credit using a post-dated check, access to a bank account (other than at an interest rate of less than 36 percent MAPR), or a car title (other than with a bank, savings association or credit union).
- The changes to definitions of credit in the final rule bring any closed or open-end loan within the scope of the regulation, except for loans secured by real estate or a purchase-money loan, including a loan to finance the purchase of a vehicle.

The final rule will be effective beginning **October 1, 2015**, with staggered compliance dates beginning **October 3, 2016**.

Compliance Act Effective Date

[Click here for upcoming compliance dates.](#)

Compliance Training

July 28, 2015

[QRP Beneficiary Rollovers to Inherited IRAs – Webinar](#)

12:00 – 1:30 p.m. EST

August 4, 2015

[IRA Excess Contributions - Webinar](#)

12:00 – 1:30 p.m. EST

August 6, 2015

[Surviving in the Compliance Jungle of Collections - Webinar](#)

12:00 – 1:30 p.m. EST

August 11 & 13, 2015

[Performing Your ACH Audit and ACH Risk Assessment - Webinar](#)

2:00 – 3:30 p.m. EST

August 24-25, 2015

[NASCUS/CUNA Cybersecurity Symposium](#)

Denver, CO

Aug. 25 – Dec. 31, 2015

[CUNA Regulatory Compliance Update eSchool](#)

September 1, 2015

[Improving Credit and Correcting Errors on Credit Reports – Webinar](#)

2:00 – 3:30 p.m. EST

Final Flood Insurance Rule Published

The previously announced interagency final rule on Loans in Areas Having Special Flood Hazards has been published in the *Federal Register*, at [80 FR 43215](#).

As a reminder, this rule was jointly approved by the Federal Reserve, Farm Credit Administration, FDIC, NCUA and OCC. The rule modifies regulations that apply to loans secured by properties located in special flood hazard areas. The final rule implements provisions of the Homeowner Flood Insurance Affordability Act of 2014 (HFIAA) relating to the escrowing of flood insurance payments and the exemption of certain detached structures from the mandatory flood insurance purchase requirement. The final rule also implements provisions in the Biggert-Waters Flood Insurance Reform Act of 2012 relating to the force placement of flood insurance. Beginning January 1, 2016, in accordance with HFIAA, regulated institutions will be required to escrow flood insurance premiums and fees secured by residential improved real estate or mobile homes that are made, increased, renewed or extended on or after that date, unless the loan qualifies for a statutory exemption or the institution itself is exempt because it has total assets of less than \$1 billion and meets certain other criteria. In addition, the rule:

- Requires non-exempt institutions to provide borrowers of residential loans already on the books as of January 1, 2016, the option to escrow flood insurance premiums and fees
- Includes new and revised sample notice forms and clauses relating to the escrow requirement and the option to escrow
- Includes a statutory exemption for the flood insurance purchase requirement for a structure that is a part of a residential property if that structure is detached from the primary residence and does not itself serve as a residence
- Provides new definitions of "a structure that is part of a residential property," and "detached"
- Exempts from the mandatory escrow requirement loans primarily for business, commercial or agricultural purposes; loans secured by junior liens if the borrower has obtained flood insurance; loans for which flood insurance is provided by a condo associations, cooperative, homeowners association or similar group; HELOCs; nonperforming loans; and loans with a term of 12 months or less

September 8, 2015
[Helping Your Members Understand Their Rights on Repossessions, Foreclosures and Bankruptcies](#) - Webinar
2:00 – 3:30 p.m. EST

September 8 – October 7, 2015
[CUNA Lending Compliance eSchool](#)
3:00 – 4:30 p.m. EST

September 16 – 17, 2015
[Leadership Development Institute](#)
Duluth, GA

September 20 – 25, 2015
[CUNA Regulatory Compliance School](#)
Boston, MA

Sept. 24 – Oct. 15, 2015
[CUNA Bank Secrecy Act eSchool](#)
3:30 – 5:30 p.m. EST

September 28, 2015
[BSA Internal Audit Strategies](#) – Webinar
3:30 – 5:30 p.m. EST

October 1, 2015
[Don't Let Orange Become the New Black: Enforcement Actions](#) – Webinar
3:30 – 4:30 p.m.

October 8, 2015
[What's In Your Member's Wallets](#) – Webinar
3:30 – 4:30 p.m. EST

The rule will become effective **October 1, 2015**, with the exception of the mandatory escrow provisions, which will become effective on **January 1, 2016**.

NCUA Hosting Cybersecurity Webinar

The NCUA will host a 90-minute webinar, "An Introduction to the New Cybersecurity Assessment Tool for Credit Unions," on **July 29, beginning at 2:00 p.m. EST**.

The webinar, hosted by Tim Segerson, Deputy Director of Examination and Insurance, and Patrick Truett, an Information Systems Officer with the Office of Examination and Insurance, will include a discussion of the assessment tool's background and purpose from NCUA's perspective, the agency's implementation plans and how to use the tool.

Online registration is available here. Participants will use the same link to log into the webinar. Registrants should allow pop-ups from this website.

Participants may submit questions in advance at WebinarQuestions@ncua.gov. The subject line of the email should read, "Cybersecurity Assessment."

Your CU Should Know...

CUs Assessed Late-Filing Penalties: The NCUA has announced that thirteen credit unions have consented to be assessed fees for their late filing of Call Reports. The thirteen credit unions will pay a total of \$5,107 in penalties, ranging from \$45 to \$943.

Foreign Bank Denied Access to US Financial System: The Financial Crimes Enforcement Network (FinCEN) has issued a Final Rule authorized by the USA PATRIOT Act that imposes "special

October 13 & 22, 2015
ACH Origination – Webinar
2:00 – 3:00 p.m. EST

October 15, 2015
Beneficial Owners and Business Accounts – Webinar
3:30 – 4:30 p.m. EST

October 21, 2015
Lending Workshop
Duluth, GA

November 12, 2015
BSA/OFAC Workshop
Atlanta, GA

BSA Training Opportunities through GCUA
Click here for details

measure five" against FBME Bank Ltd. (FBME), Dar es Salaam, Tanzania, formerly known as the Federal Bank of the Middle East. Special measure five prohibits U.S. financial institutions from opening or maintaining correspondent accounts or payable through accounts for or on behalf of FBME. Last year FinCEN found FBME to be of primary money laundering concern under the USA PATRIOT Act, and issued a related notice of proposed rulemaking (NPRM), which proposed the imposition of special measure five against FBME. The rule will be effective 30 days following publication in the *Federal Register*.

FinCEN Issues International AML/CFT Advisory: FinCEN has issued [FIN-2015-A002](#), an advisory on the Financial Action Task Force (FATF) update of the list of jurisdictions with strategic AML/CFT (Anti-Money Laundering and Counter-Terrorism Financing) deficiencies. Financial institutions should consider these changes when reviewing their enhanced due diligence obligations and risk-based policies, procedures, and practices with respect to the jurisdictions identified by the FATF.

CFPB Warns Companies Selling to Servicemembers: The CFPB [reports](#) that it has sent [letters](#) to several companies that sell retail goods to military servicemembers, advising them to review their websites and other advertising for potentially misleading marketing and to review other practices related to payment by military allotment. Active-duty servicemembers are not permitted to use allotments to pay for personal property such as vehicles, appliances, and consumer electronics. The CFPB is concerned that companies that are still advertising repayment by way of military allotment may potentially be violating federal consumer financial protection laws.

CFPB Financial Tools for Consumers: A Bureau Blog [articlereminds](#) consumers they have the right to free, unbiased financial information. Summaries of three CFBP tools for consumers are discussed: [Owning a Home](#), [Paying for College](#), and [Ask CFPB](#).

Federal Reserve Report on Pre-Paid Cards: The Federal Reserve Board has delivered its [annual report](#) to Congress on the use of

general-use prepaid cards in federal, state, and local government-administered payment programs, and on the interchange fees and cardholder fees charged with respect to the use of those cards.

Penalties Your CU Should Know...

\$140M in CMPs for BSA/AML Violations: The FDIC has announced it has joined with the California Department of Business Oversight (CDBO) to order Banamex USA, Century City, California, to pay civil money penalties for violations of BSA/AML violations. The CDBO ordered the payment of \$40 million. The FDIC assessed a penalty of \$140 million, \$40 million of which will be satisfied by payment of the CDBO's assessment. The FDIC determined that the bank failed to implement an effective BSA/AML Compliance Program over an extended period of time. The institution failed to retain a qualified and knowledgeable BSA officer and sufficient staff, maintain adequate internal controls reasonably designed to detect and report illicit financial transactions and other suspicious activities, provide sufficient BSA training, and conduct effective independent testing.

Discover Bank Penalized for Student Loan Servicing

Practices: The CFPB has announced it has issued a an order requiring Discover Bank, an Illinois based financial institution, and its affiliates, The Student Loan Corporation, and Discover Products, Inc., to refund \$16 million to consumers, pay a \$2.5 million penalty, and improve its billing, student loan interest reporting, and collection practices. The CFPB found that Discover overstated the minimum amounts due on billing statements and denied consumers information they needed to obtain federal income tax benefits. The company also engaged in illegal debt collection tactics, including calling consumers early in the morning and late at night.

Citibank Add-Ons to Cost \$700M in Refunds and \$70M in CMPs: The OCC has announced the assessment of a \$35 million penalty against Citibank, N.A., Sioux Falls, South Dakota, and its affiliate, Department Stores National Bank, Sioux Falls, South Dakota (collectively, the Bank), and ordered the Bank to identify and make

restitution to harmed customers. The OCC found that the bank's billing and marketing practices violated the Federal Trade Commission Act, which prohibits unfair and deceptive acts or practices. A Consent Order requires the Bank to improve governance of third-party vendors associated with add-on consumer products, develop a risk management program for add-on consumer products marketed or sold by the bank or its vendors, develop a consumer compliance internal audit program for add-on consumer products, and conduct an add-on product review to, among other things, identify and remediate consumer harm and any program weaknesses.

The OCC action was coordinated with the CFPB, which issued a separate order against the Bank based, in part, on unfair billing for identify theft protection products and deceptive telemarketing and sales practices for debt protection products. The CFPB also ordered the bank to pay a \$35 million civil money penalty and ordered approximately \$700M in restitution be paid to harmed consumers.

Comment Calls

NCUA MBL Proposal

The NCUA Board has approved a proposed member business loan (MBL) rule.

The proposed rule would completely overhaul NCUA's MBL regulation. Almost all requirements not in the Federal Credit Union Act would be removed. The proposal would create a category of "commercial" loans for safety and soundness purposes and utilizes the category of MBLs for compliance with the Act's limitations on member business lending. For example, the Act does not categorize any nonmember participations as MBLs and neither does the proposed rule. However, business loan participations are considered commercial loans for the purposes of safety and soundness.

The rule would remove all of the specific requirements that currently require waivers, including the personal guarantee requirement. It would also exempt some credit unions with less than \$250 million in assets from the board of director and management responsibility requirements and commercial loan policy requirements. The proposal does have an 18-month implementation period.

GCUA would like to know your thoughts and comments on this proposal. Please send them to Selina Gambrell at selinag@gcu.org by **August 17th**.

The [CUNA Regulatory Advocacy Report](#) keeps you on top of the most important changes in Washington for credit unions--and what CUNA is doing to monitor, analyze, and influence government agencies and federal law. You can view the current report and past reports from the archive.

Click [here](#) to request to be added to the mailing list for this and/or other GCUA email publications.

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